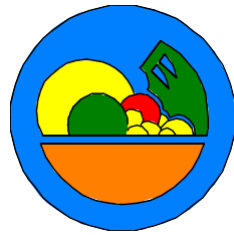




**GREATER TZANEEN MUNICIPALITY
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INDIGENT SUPPORT POLICY

Policy Number:	Approved Date:
Effective Date: 01 July 2026	Review Date: 2026 03 26
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Notwithstanding the review date herein, this policy shall remain effective until such time approved otherwise by Council and may be reviewed on an earlier date if necessary.

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GREATER TZANEEN INDIGENT SUPPORT POLICY

1. PREAMBLE:

Whereas the provision of free basic social services by local government is part of the broader social agenda and anti-poverty strategy of the Government,

and whereas Government at all levels has a constitutional obligation to take measures towards the realization of the social and economic rights of all people as contained in the Bill of Rights, namely, inter alia, health care, water, housing, social security and the environment,

and whereas Section 27 of the South African Constitution Act, 1996 (Act 108 of 1996) stipulates that:

“Everyone has the right to have access to –

Sufficient food and water, and

, appropriate social assistance”

and whereas section 74(2)(c) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) as amended, provides that municipalities can provide poor households with access to basic services through specially subsidized tariffs,

and whereas Section 97(1)(c) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) states that a municipality must make provision in its Credit Control and Debt Collection policy for indigent debtors consistently with its rates and tariffs and any national policy on indigents.

The Greater Tzaneen Municipality within the jurisdiction of this municipality, for that portion of the community which are challenged with poverty, the following policy is applicable

2. PURPOSE

The purpose of this policy is to establish a registration mechanism and to ensure that registered indigent households have access to basic municipal services and that provision is made for financial and service delivery assistance to them.

3. PRINCIPLES

- 3.1 Indigent debtors must have access to basic services in terms of the South African Constitution; those services delivered by this municipality which are regarded as being basic to the indigent are included in this policy.
- 3.2 The criteria for the identification of indigent households must be clear and transparent
- 3.3 Indigent debtors are mostly not able to fully meet their obligations for services consumed and property taxes on their monthly accounts; hence this policy must provide guidelines on affordability of tariffs for property tax and municipal services for indigent debtors.
- 3.4 The historic arrears of newly registered indigents must be dealt with according to guidelines set in this policy.
- 3.5 Consumption of metered services by indigent debtors must be maintained at lowered levels to increase affordability of charges on their municipal accounts; hence this policy must give guidance on technical aspects for the delivery of such services.
- 3.6 The municipality shall maintain a register of all indigent households residing within its area of jurisdiction.
- 3.7 The municipality shall within its financial and administrative capability render basic services to the indigent households.
- 3.8 The following values in this policy will be included into the compilation and approval by the council of its annual budget:
- i. The gross household income threshold to qualify for indigent support
 - ii. Tariffs and rebates applicable to indigents
 - iii. The monthly quotas of free basic metered services to be provided to the indigent in Kiloliter and kilowatt-hours.
 - iv. The property rates exemption level.

- v. The free basic services on refuse removal and sanitation.

4. DEFINITIONS

For the purpose of this Policy the following words and expressions shall have the corresponding meaning, unless the contents clearly indicate otherwise:

Basic Municipal Services

Basic municipal services mean a municipal service, subsidized by the municipality that is necessary to ensure an acceptable and reasonable quality of life and if not provided, would endanger public health or safety or the environment. For the purpose of this policy, basic municipal services refer to the following services supplied by the municipality:

- Rates (non-trading services & institutional costs)
- Sewerage
- Refuse removal
- Water
- Electricity
- Housing Rental: Municipal Properties
- Cost of Grave

Child-headed households

Child-headed households for the purpose of this policy refer to households headed by a person under the age of 18, who permanently resides at the address of the household and upon whom the household relies on for survival.

- (a) The parents of the household have died ;
- (b) A minor has assumed the role of care giver in respect of another minor in the household;
- (c) Such minors reside permanently on the property;
- (d) The situation pertaining to the household has been verified by a social worker.

Household income

Household income means the gross sum of all monthly income from the registered owner and spouse, including wages, salaries, profits, dividends, pensions, rentals, board & lodging, interest received, grants or investment income, excluding the capital proportion of the investment.

Indigent household

Indigent household means a family unit comprising of the head of the family, being a natural person, and may include blood related or adopted dependents who are jointly living on a stand or site on a permanent basis and who receive electricity and/or water from one meter.

Indigent subsidy

Indigent subsidy means a subsidy to indigent households to ensure the receiving of basic services of which the funding is restricted to the Equitable Share receive from National Government.

Owner

Owner means the person in whom the legal title to the premises is vested. In a case where the person in whom the legal title is vested is insolvent or dead, or is under any form of legal disability whatsoever, the person in whom the administration of and control of such premises is vested as curator, trustee, executor, administrator, judicial manager, liquidator or other legal representative;

Chief Financial Officer

means such Municipal official appointed in terms of section 57 of the Municipal Systems Act, 2000 and administratively in charge of the budget and treasury office;

Credit Control and Debt Collection Policy

means the Credit Control and Debt Collection Policy of the municipality as adopted by Council in terms of section 96(b) of the Municipal Systems Act ,2000 as amended;

Council

means the Municipal Council of the Greater Tzaneen Municipality in terms of section 18 of the Municipal Structures Act, 1998 as amended

Greater Tzaneen Municipality

means such Municipality established in terms of section 12 of the Local Government Structures Act , 1998 (Act 117 of 1998).

Indigent

Indigent means those residents with South African citizenship each representing one residential unit/family who are extremely poor and whose households are unemployed. State pensioners or disabled people depended on a state grant, single parents in receipt of a child grant and who are, due to a number of economic or social factors, unable to pay for municipal services. For purposes of this policy, indigent status may apply to an owner, occupier, or a child-headed household, subject to compliance with the registration criteria contained in section 6.

Municipal Account

means an account in terms of section 4 of the Credit control and Debt Collection Policy.

Occupier

means a person who lives in an informal or formal settlement on land which does not belong to him/her, without the objection of the owner of the property.

Registered Indigent Household

Registered indigent household means those households that have met the indigent registration criteria and are registered in terms of this policy.

Social Package

Social package means those service delivery levels and financial benefits that the

municipality can afford and package together to the benefit of the poor and the registered indigent households within its geographic area of jurisdiction.

Tenant

Tenant in terms of this policy refers to a person residing on municipally owned property and who has a formal lease agreement with the municipality for housing purposes.

5. DETERMINATION OF THE SUBSIDY AND INDIGENT TARIFF

5.1 The subsidy for each service rendered by Greater Tzaneen Municipality will be determined by Council from time to time. Such determination will take into account the National allocated funds and revenue generated or to be generated by the district. The process will form part of the budget process of the Greater Tzaneen Municipality.

5.2 The council may, as part of the budgetary process, determine an indigent tariff that will be charged to indigent households to recover only maintenance and operational costs.

5.3 The indigent tariff will be charged in terms of the Council's tariff policy.

Exemption may be granted for connection of deposit fees to qualifying indigent or poor households subject to approval by the Chief Financial Officer or Council.

6. REGISTRATION CRITERIA

A residential household can be registered once as indigent if the applicant for registration meets all of the following criteria:

6.1 The registered owner of the residential property; or

6.2 An occupier of a child-headed household where the residential property is registered in the name of the deceased parent or deceased parents; or

6.3 A purchaser of a residential property from any of the spheres of government on a delayed transfer basis; or

6.4 The party to whom the residential property is awarded in the event of a divorce; or

(a) Where a deceased estate has not been wound up;

(i) In the case of a deceased estate, in whose name the residential property is registered, any heir to whom the registered property has been bequeathed; or

(ii) A surviving spouse, where the surviving spouse was married in

community of property to the deceased, and where the residential property is registered in both spouse's names, and the surviving spouse is the sole heir; or

(iii) A surviving spouse, who was married in community of property to the deceased, together with any other heirs, if any, where the residential property is registered in the name of that deceased ; or

(iv) In the case where a portion of a residential property is registered in the name of the deceased estate, the surviving registered owners together with the heirs to the deceased estate, or

(b) In the event of the residential property being registered in the name of a trust ,

(aa) The beneficiaries , for the meantime, of a testamentary trust established in terms of the Administration of Estates Act , 66 of 1965; or

(bb) The trustees together with any beneficiaries, for the meantime, of a trust established in terms of the Trust Property Control Act , 57 of 1988; or

(c) An occupier of a child-headed household where the residential property is registered in the name of a deceased parent or deceased parents, provided that such household is verified in terms of this policy and is registered for indigent support independently from ownership status.

(d) Or habitation where such usufruct(the legal right to use and enjoy the advantages or profits of another person's property) or habitation; or

(e) Where there is more than one person residing at the residential property who meets any of the criteria set out in this sub-item then they must jointly make an application in terms of this item;

(f) The total gross monthly income of all the members of the applicant's household does not exceed the sum of two old age state grants, unless the approved

annual budget of the Council specifically states a different amount, then that amount.

- (g) The applicant as well as any other member of the household may not be the registered owner of more than one immovable property within jurisdiction of the municipality; and
- (i) Be a full-time occupant of the residential property or where the registered owner is unable to occupy the property due to no fault of such registered owner, the spouse or minor children may satisfy the occupancy requirement; and
 - (ii) The applicant must be a South African citizen and must be the occupier, owner or tenant as defined in this policy and must be resident on the property referred to on the application form. Applicants residing in formal areas with municipal accounts, must present the municipal account as proof of residence
 - (iii) In cases of child-headed households, the applicant for registration may either be a guardian adult older than eighteen (18) years not residing on the property or an orphaned minor residing on the property. The person applying on behalf of a child-headed household must certify that only orphaned children reside at that property.
- (h) No indigent application will be approved if there is a rates clearance application on the system on date of indigent application.

7. NEW APPLICATION AND REGISTRATION

The applicant must complete an indigent application form at the designated facilities of the Chief Financial Officer, and the following documentary proof must be submitted with each application:

- Certified copies of proof of existence of each member of the household i.e. birth certificates or identity documents
- A copy of the most recent municipal account of the property and the election ward number

- Documentary proof of total monthly income of the household (e.g. Pension receipt advice, UIF Cards, Salary advice, letter from employer) or a written declaration certified by a Commissioner of Oath stating the alternative sources and approximate amounts of the total income monthly generated by the household.
- In case of tenants on municipal properties, a copy of the rental contract.
- In case of occupants, proof of identification of the registered owner of the property and written confirmation from the registered owner of the property, that the applicant has permission to stay on the property at the cost of the owner.
- In the case of the applicant being a spouse or dependent of a deceased owner of a property a death certificate should be submitted.
- In the absence of a completed application form for previously vetted indigents the vetting report will be regarded sufficient evidence that the debtor qualifies for indigent status.
- The duration of the indigent subsidy will be from date of approval until such time that the status changes or as may be reviewed from time
- The municipality may require the indigent beneficiary to renew their indigent status periodically as and when required.

8. APPROVAL OF INDIGENT APPLICATION

8.1 The new application for indigent status shall be verified by the Ward Councilor, or a duly appointed agent of the Chief Financial Officer, together with the verification officer and the indigent officer that the information on the application and supporting documents have been verified to be true and confirm to the registration criteria.

8.2 New applications will then be vetted through external scan methods or physical visits/ indigent programs.

8.3 Existing indigents' status will also be verified through external scan methods/indigent programs. They do not need to fill in new applications.

8.4 The new applications will be captured on the indigent register/database kept by the Municipality and the entire register shall be reviewed annually.

8.5 The register will be open for inspection by ward councilors and the community to verify the information of the registered indigents (new and existing) within their wards. Verification may include visits to the household or ad hoc evaluations may be requested based on new information registered indigents. The indigent register, together with the applications and required documentation will be maintained with due consideration of the Protection of Personal Information Act.

8.6 The municipality whenever necessary may inform the residents about indigent subsidies through available platforms, such as publication of names of qualifying applicants or make available the indigent register for inspection for applicants receiving subsidies.

8.7 The Chief Financial Officer shall upon finalisation of the indigent application results submit a report to Council for approval of indigents and the indigent household debts to be written off in terms of the policy.

Debt incurred by existing indigent due to exceeded consumption will not form part of this indigent write-off.

8.8 All approved indigent households will be entitled to a maximum subsidy as approved by Council from time to time to cover basic services.

8.9 Council will determine the amount of targeted subsidies on a yearly basis which may vary between categories of indigent customers.

9. RESPONSIBILITIES OF REGISTERED INDIGENT HOUSEHOLDS

9.1 Restriction

The applicant must accept technical assistance by the municipality to make his/her current monthly consumption of services more affordable through the supply of limited services, as soon as the application is successful. If the applicant is not the owner of the property so affected, then the owner needs to give consent to the installation of the technical restrictive device/s on his/her property's service installation/s

9.2 Duration

The successful applicant must accept the limited levels of services and must stay in the program for at least 12 months. Indigent status shall be subject to annual review and shall lapse automatically where the qualifying criteria are no longer met.

9.3 Metering

The registered indigent must ensure that his/her monthly consumption does not materially deviate from the limited level of services allocated in terms of this policy. Consumption exceeding such levels will be billed to the municipal account of the property and be payable by the consumer. Consumptions below such levels will not entitle the consumer to accrue the unused portion for future use or to claim any financial benefits. Wherever the municipality may install prepayment meters as an assisting technology, it must be accepted. No 3-phase meter connections will qualify for indigent rebates.

9.4 Account/Statement

The indigent household shall receive a municipal account on a monthly basis reflecting the amounts charged for different services and rates, and also the rebates and subsidies granted.

9.5 Non-Payment

Credit control and/or debt collection measures will be instituted against the indigent account holder if the account for consumption over and above the free basic usage, is not paid in full every month.

9.6 **Status Updates**

Should the situation of the registered indigent household change, then the onus is on that household to either inform the municipality that re-evaluation may be considered or to apply for de-registration.

10. SOCIAL PACKAGE

10.1 **Property Tax**

The municipality may rebate 100% for registered indigents for as long as they remain registered. Property valued at less than R500,000 may be eligible for indigent rebating without following the application process.

Where a registered indigent household experiences an increase in property rates arising from the implementation of a new valuation roll, the Municipality may apply phasing-in relief in accordance with the approved Property Rates Policy, provided that such phasing-in does not reduce the minimum level of indigent relief approved by Council.

10.2 **Free basic services**

Indigent households will receive a pre-determined quantity of electricity, water, sewerage and refuse removal free of charge on a monthly basis. The FBS will only be granted to qualifying households.

The qualifying Indigent households may receive the following subsidy per month:

- 100% rebate of the basic charges for electricity per month
- 100% rebate of the availability charge for sewerage per month
- 100% rebates on basic charges for water per month.
- 100% rebate of the basic charge for refuse removal per month
- 100% rebate on property rates
- 50-kilowatt on Electricity
- 6 kilolitres Water consumption subsidy per month

10.3 **Arrears of indigent household – new applications**

After the evaluation and assessment of applications have been completed the total outstanding amount will then be written off as a once-off for all new successful applicants. Any arrears accumulated after the debt write-off will be subject to credit

control and debt collection actions.

10.4 **State Pensioners**

Pensioners may receive a reduction and a rebate of an amount as determined by Council during the annual budget.

Subject to the criteria set out below:

Pensioners may be granted a rebate on their primary property, effective from the date they qualify, within the applicable financial year.

The applicant must meet the following criteria:

- a) he or she must produce a valid South African bar-coded identity document.
- b) where couples are married in community of property and the property is registered in both
- c) their names, the age of the eldest will be the qualifying factor.
- d) not be in receipt of an indigent assessment rate rebate.
- e) A rebate will only be granted in respect of a property on which only one dwelling is erected
- f) and such dwellings be occupied by the applicant and his/her dependents.
- g) The total combined household income from all sources must not exceed the amount
- h) specified in the tariff structure.
- i) Pensioner Subsidy
- j) 80% rebate on property rates

10.5 **Benefit to child-headed households**

As child-headed households are generally characterised by limited or no income, qualifying households should be prioritised for indigent registration and shall be referred to social workers and relevant government departments to facilitate access to social,

economic and educational support programmers.

10.6 **Rental Arrears of Indigent Households**

The rental arrears of new successful indigent applicants who is a residential tenant with a legal lease agreement with the municipality will also be written off. The monthly rent levy will then be reviewed to the lowest of either 25% of the family income or the full cost recovery rental of that specific housing scheme.

10.7 **Grave cost**

Approved indigents may qualify for a grave at no cost

Applicants not yet approved may qualify for a grave at 50% of the cost.

11. **AFFORDABILITY OF METERED SERVICES**

In an attempt to make services more affordable to the indigent household, the following additional measures will be implemented:

11.1 **Electricity**

A lower amperage (60 amp) circuit breaker will be installed to limit the available capacity and thereby lower the consumption of electricity for increased affordability to the relevant household. No 3 phase meter connections will qualify for indigent rebates.

11.2 **Water**

Metered consumption of water will be reduced to the quantities determined in the annual budget per 30-day period to increase affordability for poor households, by installing water devices at individual residences to either limit the water flow or to distribute daily water quotas.

11.3 **Prepaid Meters**

Subject to the availability of funding and installation capacity, metered services of all indigent households will be supplied via prepaid vending systems.

12. EXITING THE INDIGENT REGISTER

12.1 The registration will be terminated under any one of the following circumstances:

- Upon reviewing the current indigent register yearly and finding that the financial status of a registered indigent household has improved sufficiently. Upon a material improvement in household income, ownership status, or living conditions, including where a child-headed household is placed under permanent adult care or formal guardianship.
 - For this purpose, indigency status re-valuation may be performed as soon as the consumption of electricity exceeds 200Kwh per month or water consumption exceeds 12 Kiloliters on average over any 3 consecutive months.
 - Collecting data from SASSA /UIF/SARS and other information bureaus to validate creditworthiness (External scan)
- Upon the death of the account holder.
- Upon the sale of the property
- If the registered indigent is not resident on the property anymore.
- If it is discovered after approval that the applicant has supplied false information this will also result in the household's municipal account being debited with all monies previously credited.
- As soon as the finances of an indigent household have improved, the registered indigent may apply to be de-registered at the designated facility of the municipality. The tariffs on the account of the property will be normalised upon de-registration and the debtor must apply to indicate which of the restricted services must be un-restricted to allow increased consumption. Any restrictions carried out due to credit control will not be un-restricted and no increased consumption will be enabled if the municipal account is in arrears again.
- If the Municipality obtains information indicating that a beneficiary's

circumstances have changed to the extent that they no longer qualify for the subsidy, it reserves the right to suspend the subsidy and recover any subsidy paid for a period not exceeding 24 months, or for an earlier period if applicable.

13. Ad hoc Evaluation

Ad hoc evaluations will be undertaken on all registered indigent households exceeding the consumption levels, or if false or incomplete information on applications is suspected. The Municipality may cancel an application or suspend a subsidy after three unsuccessful site verification attempts.

14. DISPUTE RESOLUTION AND APPEALS

14.1 Dispute – Lodging a Dispute

An applicant may submit a dispute by completing the prescribed form and attaching the required supporting documents to the Indigent Office.

14.2 Appeal – Formal Appeal

If dissatisfied with the outcome of the dispute, the applicant may lodge a formal appeal in accordance with section 62 of the Municipal Systems Act, 32 of 2000.

15. PENALTY AND DEREGISTRATION OF INDIGENT

The municipality has the right to claim back all benefits given to the indigent based on the following circumstances and volunteering deregistration but not limited to:

- a. An indigent customer must immediately request de-registration by the municipality or its authorized agent if his/her circumstances have changed to the extent that he/she no longer meets the qualification set out in this policy.
- b. An indigent customer may at any time requests de-registration.
- c. Subsidies that have been received unrightfully may be reversed and claimed from the consumer by the municipality.

- d. Any false and fraudulent declaration will lead to the permanent disqualification of an applicant from the indigent subsidy scheme and the municipal council reserves the right to take legal action against such an applicant.
- e. If an indigent household refuse to permit the municipality or authorized representative to take readings at their premises it will lead to automatic deregistration of the subsidy.

16. SALE OF PROPERTY

In cases of properties of registered indigent households being sold after receipt of indigent benefits, the following will apply:

Benefits allocated within the financial year will be debited back onto the account if the account is in arrears relating to exceeded consumption levels and will be claimed as outstanding debt in terms of section 118 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000)

17. DISCRETIONARY POWERS

The council has the discretionary powers to amend any clause, stipulation or tariff embodied in the indigent support policy in the interest of the parties concerned.

18. APPEAL PROCESS

The Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000) ("PAJA") gives effect to the right to administrative action that is lawful, reasonable and fair, therefore all persons whose indigent subsidy was terminated or rejected for whatever reason shall be given the right of appeal and will be required to either make formal written submission; or those who may not read or write can visit the municipal indigent office and make formal oral submissions to the designated officials.

19. REPORTING REGISTER

The indigent register shall distinguish between indigent owners, indigent occupiers, and child-headed households for reporting and audit purposes.

20. IMPLEMENTATION AND REVIEW OF POLICY

This policy will be implemented from the 01 July 2026 and be reviewed annually.

